

Nellis, Sharon

From: Copeland, George
Sent: Monday, April 21, 2008 2:06 PM
To: Nellis, Sharon
Subject: FW: Clay County School Board 6/30/08 Actuarial Analysis

-----Original Message-----

From: Rick Alford [mailto:rick.alford@riskconsultingservices.com]
Sent: Monday, April 21, 2008 2:01 PM
To: Copeland, George
Subject: Clay County School Board 6/30/08 Actuarial Analysis

Yes \$9,300 is fine. Thanks. Rick

Richard (Rick) Alford, CPCU, ARM, ARe
Risk Consulting Services, Inc. (Actuaries & Consultants)
1640 Powers Ferry Road
Building 8, Suite 320
Marietta, Georgia 30067-5491
Phone 678 777 7825
Email: rick.alford@riskconsultingservices.com

From: Copeland, George [mailto:gcopeland@mail.clay.k12.fl.us]
Sent: Monday, April 21, 2008 1:58 PM
To: rick.alford@riskconsultingservices.com
Subject: RE: Clay County School Board 6/30/08 Actuarial Analysis

Last year we paid \$9300 and the Board almost didn't approve that price. Do you think you could do it for \$9,300 again?

-----Original Message-----

From: Rick Alford [mailto:rick.alford@riskconsultingservices.com]
Sent: Monday, April 21, 2008 1:45 PM
To: Copeland, George
Subject: Clay County School Board 6/30/08 Actuarial Analysis

George:

Thanks for the 4/21/08 email below regarding the 6/30/08 actuarial analysis for CCSB.

We have provided this analysis and report for you the last year few years beginning with the 6/30/04 analysis, and look forward to working with you again.

The actuarial analysis provides estimated claim liabilities and needed funding for your self insured lines of workers' compensation, general/professional liability, automobile liability, and property. The funding is provided on a full value and present value basis, by line, by year. The analysis includes the allocation of the loss reserves into short term (paid within 12 months) and long term (paid more than 12 months from 6/30/08) liabilities. We work closely with Sean Downey at Johns Eastern to obtain the needed loss data, and also obtain exposure, excess coverage and other items from you and AJ Gallagher personnel.

Our firm works with three other school boards in Florida on their 6/30 year end actuarial analysis, approx. 15 clients in Florida, and look forward to working again with CCSB.

We anticipate the same timeline as last year, with our actuarial report to be issued

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in mid July, 2008. This will allow for a timely review by you and the CCSB auditors, and the recording of the 6/30/08 estimated future claim payments and needed funding.

Our flat fee for the above actuarial analysis and report as of 6/30/08 is \$9,700, a small increase of \$400 (4%) from last year's \$8,300 flat fee. We will invoice you at the conclusion of the assignment, and after delivery of the actuarial report. I will need the following CCSB data from you, similar to your 4/25/07 email to me last year:

1. For the payroll, I need the 7/1/07 to 6/30/08 CCSB total payroll figure, and a projection for the 2008-2009 FY.
2. For the expenditures, I need the 7/1/07 to 6/30/08 CCSB total expenditure figure and a projection for the 2008-2009 FY. The figures should include General & Special Revenue Funds.
3. For the number of vehicles, I need the current (as of now or 6/30/08) approx. number of vehicles, and a projection for 6/30/09.

Last year we utilized a present value interest rate assumption of 2.0% to discount the loss reserves per your 4/25/07 email. This is reasonable and we will utilize the same assumption this year as of 6/30/08 unless you suggest another figure. The 2.0% make sense and is in line and is generally consistent with our other clients, perhaps on the lower end of a reasonable range. If you increase the interest rate assumption the discounted estimated liabilities will be smaller, but anything in the 2% to 3.5% range is reasonable.

If the above proposal is acceptable and approved by the Board, please let me know. I will then provide a list of data items from Johns Eastern and AJ Gallagher.

Thank you. Rick

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-----Original Message-----

From: Copeland, George [mailto:gcopeland@mail.clay.k12.fl.us]
Sent: Monday, April 21, 2008 11:31 AM
To: Rick Alford
Subject: Clay County School Board

Hey Rick I hope you are doing well. I guess it is that time to do the June 30, 2008 Actuarial analysis for the school board. Would you please send me a proposal (fee) so I can get it approved by the board in our May board meeting. Thanks.